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*NOT ADMITTED IN D. C.

May 19, 1988

BY HAND

RECORDATION NO. 1 5645 Filed 12:25

MAY 20 1988-11:40 AM No. 8-141A039

Noreta R. McGee, Secretary
Interstate Commerce Commission
12th and Constitution Avenue, NW
Washington, DC 20423

MAY 20 1988
Date... 5/20/88
Fee \$ 13.00

ICC Washington, D. C

Attention: Documents for Recording

Dear Secretary McGee:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document is a lease, a primary document dated March 23, 1988.

The names and addresses of the parties to the document are:

Lessor: Midland Bank Canada Leasing Limited
Exchange Tower, 2 First Canadian Place
Toronto, Ontario
Canada M5X 1E3

Lessee: Canadian National Railway Company
935 de La Gauchetiere Street, West
Montreal, Quebec
Canada H3B 2M9

A description of the equipment covered by the document follows:

Identifying Marks:

CNA 405100 - 405335, inclusive

A fee of \$10.00 is enclosed.

Peter F. Humphrey

Cover

HAMEL & PARK

WASHINGTON, D. C.

Noreta R. McGee, Secretary

May 19, 1988

Page Two

Please return the original and any extra copies not needed by the Commission for recordation to William H. Bradford, Jr., Hamel & Park, 888 - 16th Street, NW, Washington, DC 20006.

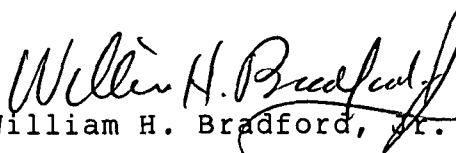
A short summary of the document to appear in the index follows:

Lease between Midland Bank Canada Leasing Limited, Lessor, Exchange Tower, 2 First Canadian Place, Toronto, Ontario, Canada M5X 1E3, and Canadian National Railway Company, Lessee, 935 de La Gauchetiere Street, West, Montreal, Quebec, Canada H3B 2M9, 236 boxcars, AAR designation XP, dated March 23, 1988.

Very truly yours,

HAMEL & PARK

By:


William H. Bradford, Jr.

WHB:pb
Enclosures

cc: D. Bekhor, Esquire

Interstate Commerce Commission

Washington, D.C. 20423

5/20/88

OFFICE OF THE SECRETARY

William H. Bradford

Hamel & Park

888 16th Street, N.W.

Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/20/88 at 11:50am, and assigned recordation number(s). 15645

Sincerely yours,

Nesta R. McGee

Secretary

Enclosure(s)

MAY 20 1988 - 11 52 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS LEASE AGREEMENT made as of March 23, 1988 between MIDLAND BANK CANADA LEASING LIMITED ("LESSOR") and CANADIAN NATIONAL RAILWAY COMPANY ("Lessee").

1. SCOPE

- 1.1 Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, on a net lease basis, the two hundred and thirty-six (236) boxcars described in Exhibit A attached hereto. Lessee acknowledges and agrees that Lessor has agreed to purchase said boxcars from Maine Central Railroad Company ("MCRC") for the express purpose of leasing said boxcars to Lessee hereunder, and Lessee agrees that Lessor shall only be obligated to lease to Lessee those boxcars actually purchased from MCRC. Said boxcars shall be in AAR interchange condition and shall comply in all respects with the requirements and specifications set out in Exhibit A. Boxcars accepted pursuant to Paragraph 3.2 shall hereinafter be referred to as "Car(s)".
- 1.2 Lessor shall cause all boxcars to be delivered to Lessee at National Steel Car Limited ("NSCL"), at Hamilton, Ontario, or at such other location as Lessor and Lessee shall mutually agree. In the event that any boxcar is destroyed or damaged beyond economic repair in the reasonable opinion of Lessor prior to delivery thereof pursuant to this Paragraph 1.2, Lessor shall not be obligated to furnish a replacement for such boxcar and this Lease Agreement shall otherwise remain in full force and effect with respect to the balance of the Cars.
- 1.3 Subject to Paragraph 3.2, all Cars shall be delivered to Lessee by July 31, 1988 except as Lessor and Lessee may otherwise agree in writing.

2. TERM

Subject to the renewal and purchase options contained in Paragraphs 19 and 20, this Lease Agreement shall be for a term of years, hereinafter referred to as "Lease Year(s)", the first of which shall commence on the earlier of a) the first day of the month following the date on which the last boxcar is accepted hereunder pursuant to Paragraph 3.2, and b) August 1, 1988, (the "Commencement Date"), and the last of which shall terminate at the expiration of the tenth Lease Year. All of the terms and provisions of this Lease Agreement shall apply and be in full force and effect with respect to Cars accepted to Lessee prior to the Commencement Date.



3. DELIVERY AND ACCEPTANCE

- 3.1 A sample of boxcars contemplated for inclusion in this Lease Agreement has been pre-inspected by Lessee. Upon satisfactory completion of the repairs contemplated under Exhibit A, and upon notification by NSCL or Lessor that boxcars are available for inspection by Lessee, Lessee shall individually inspect each boxcar so repaired at the mutually acceptable repair facility and may reject any thereof, by written notice to Lessor, only if any such boxcar is not in conformity with the requirements and specifications of Exhibit A. Failure of any particular boxcar to meet such specifications does not affect Lessee's obligation to accept delivery of each and every other boxcar which meets such specifications. Lessee shall provide up to thirty (30) days free storage from the date of such notice to Lessor for any boxcars rejected hereunder and upon written notice from Lessor shall return any such rejected boxcars free of charge to a mutually agreeable interchange point on Lessee's trackage; provided, however, that Lessee shall be responsible for such rejected boxcar from the time it is inspected pursuant to this Paragraph 3.1 up to the time it is so returned.
- 3.2 Acceptance of each Car or group of Cars by Lessee shall be evidenced by certificates of acceptance issued by a duly authorized representative of Lessee in the form attached as Exhibit B, herein referred to as "Certificate(s) of Acceptance", the issuance of which shall constitute conclusive evidence of acceptance of the Car(s) identified therein.
- 3.3 Lessor and Lessee shall cooperate with each other to facilitate delivery and acceptance of Cars contemplated herein.

4. CANADIAN DOMESTICATION

Lessee shall have the right to assign the Cars to exclusive Canadian domestic service; provided, however, that any and all costs of Canadian domestication, including without limitation, Canadian customs duty payable pursuant to such domestication, shall be borne by Lessee.

5. CONSIDERATION

- 5.1 Lessee shall pay rental to Lessor as follows:

5.1.1 Interim rental on a pro-rata basis at the rate of [REDACTED]
[REDACTED] U.S. ([REDACTED] U.S.) per Car per day



during the period between the date of acceptance pursuant to Paragraph 3.2 of each Car hereunder and the Commencement Date; such interim rental shall be payable on the Commencement Date;

5.1.2

Monthly rental at the rate of [REDACTED]
[REDACTED] U.S. ([REDACTED] U.S.) per Car commencing on the Commencement Date and terminating at the expiration of the tenth Lease Year.

5.2 All amounts payable under Paragraph 5.1.2 are payable in advance on the first business day of each month (the "Rental Payment Date"); provided, however, that in the event that for any reason any such amounts are not received by Lessor by the Rental Payment Date, Lessor shall provide Lessee with written notice of such event and Lessee shall make such payment within two (2) business days by wire transfer in immediately available funds. For purposes of this Lease Agreement, the term "business day" shall mean any day other than Saturday, Sunday and any other day on which banking institutions in Toronto, Ontario and Montreal, Quebec are obligated to be closed. Whenever any payment shall become due on a day which is not a business day, such payment shall be made on the next succeeding business day.

5.3 Notwithstanding anything to the contrary contained herein, any nonpayment of amounts payable to Lessor when due under this Lease Agreement shall result in an obligation of Lessee to pay on demand interest calculated and compounding monthly at the rate of [REDACTED] per month (equivalent to an effective rate of [REDACTED] per annum) for the period of time during which such amounts are overdue. All amounts (other than rentals and settlements for Casualty Occurrences under Paragraph 8.1) due to Lessor hereunder are payable on demand.

6. MARKINGS, RECORD KEEPING, RECORDING, INSPECTIONS

6.1 Lessor will cause each Car to be restencilled with Lessee's running marks and identifying numbers as set forth in Exhibit A. In the event that Lessee changes or permits to be changed the identifying number of the Cars or any other markings of ownership of the Cars, a statement of new identifying numbers or markings to be substituted therefor shall be (i) furnished to Lessor and (ii) filed, recorded and deposited by Lessee in all public offices where this Lease Agreement shall have been filed, recorded and deposited. Except as provided above, Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation that might be interpreted



as a claim of ownership; provided, however, that the Cars may be lettered with the names or initials or other insignia customarily used by Lessee, its affiliates or any authorized sublessee.

- 6.2 Subject to Lessor providing Lessee with the appropriate information, Lessee shall cause each Car to be registered at all times in the Official Equipment Register, and in the Universal Machine Language Equipment Register (UMLER), and any change therein must be mutually agreed by the parties. Lessee shall maintain such records as shall be required from time to time by any applicable regulatory agency or any Association of American Railroads ("AAR") railroad interchange agreement or rule, or which relate to the use and handling of the Cars. Lessee shall, at its own expense, cause this Lease Agreement and any assignment thereof pursuant to Paragraph 16 to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303 and deposited with the Registrar General of Canada (and notice of such deposit to be given forthwith in The Canada Gazette) pursuant to Section 86 of the Railway Act of Canada. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's rights in the Cars, or for the purpose of carrying out the intention of this Lease Agreement. Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing and recording.
- 6.3 Lessee shall, upon becoming aware thereof, immediately notify Lessor of accidents involving any Car which must be reported under AAR Rule 107 or any Canadian rule of similar application.
- 6.4 During the term of this Lease Agreement, Lessor, its officers, employees and agents, shall have reasonable access to the Cars to permit physical inspection thereof and to records pertaining thereto upon reasonable prior written notice to the Chief Mechanical Officer or Chief of Transportation depending on the nature of the inspection; provided, however, that:
- 6.4.1 Such inspections shall be at the sole risk and expense of Lessor, except in the case of gross negligence of Lessee or of its employees or agents, and subject to the foregoing Lessor shall be responsible for any damage, injury to, or death of any persons exercising on behalf of Lessor or any prospective assignee of Lessor, the rights of inspection granted hereunder;



- 6.4.2 Lessor shall exert its best efforts to prevent such inspections from interfering with the normal operation and movement of the Cars; and
- 6.4.3 Subject to Paragraph 6.4.1, Lessor shall indemnify and save harmless Lessee from and against any liability for damage to property or bodily injury including that resulting in death sustained by any of the employees or agents of Lessor arising during the course of such inspections.

7. MAINTENANCE, ALTERATIONS, IMPROVEMENTS, ADDITIONS

- 7.1 Lessee shall, at its sole cost and expense, maintain and repair Cars in accordance with the A.A.R. Interchange Rules and the rules and regulations of the Canadian Transport Commission and other Canadian governmental authorities having jurisdiction with respect thereto.
- 7.2 Lessee shall have the right, if not in default hereunder, at its expense and without the prior written consent of or notice to Lessor, to make any addition, alteration or improvement to any of the Cars; provided, however, that:
 - 7.2.1 Any such addition, alteration or improvement shall not impair the value of such Car;
 - 7.2.2 Lessee shall have the right, up to the termination of this Lease Agreement, to remove any such alteration, improvement or addition, provided that upon removal of any such alteration, improvement or addition, the Car shall be in AAR interchange condition suitable for load, ordinary wear and tear excepted; and
 - 7.2.3 Any such alteration, improvement or addition as to which Lessee has not exercised the foregoing right of removal shall become a part of the Car to which it is made and title thereto shall vest in Lessor.
- 7.3 In the event that any alteration, improvement or addition is made pursuant to any laws, regulations, requirements or rules of any governmental authority or of the AAR, then such alteration, improvement or addition shall be made at Lessee's expense and shall become a permanent part of the Car to which it is made and title thereto shall best in Lessor.



8. CASUALTY OCCURRENCES

- 8.1 In the event that during the term of this Lease Agreement or any renewal thereof, any Car is lost, stolen, destroyed or, in the sole opinion of Lessee, damaged beyond economic repair, which events shall hereinafter be referred to as "Casualty Occurrence(s)", Lessee shall give written notice to Lessor of such Casualty Occurrence(s), and Lessee shall pay settlement for same as set forth in Exhibit C.
- 8.2 Lessee's future rental obligations with respect to any Car subject to a Casualty Occurrence shall cease upon the giving of written notice of such Casualty Occurrence. Payment of the foregoing settlement amounts shall be made as of the next Rental Payment Date which is more than twenty (20) days after notice is given of such Casualty Occurrence. Upon receipt of such payment by Lessor together with payment of all other amounts due and owing hereunder in respect of such Car, this Lease Agreement shall terminate with respect to such Car.
- 8.3 Lessor, upon receipt of settlement pursuant to Paragraph 8.1, shall execute and deliver to Lessee a bill of sale transferring title to Cars suffering such Casualty Occurrence in the form attached as Exhibit D.

9. TAXES

- 9.1 Lessee agrees to pay as required by applicable law all present or future Impositions (as hereinafter defined). Lessee also agrees to indemnify and hold Lessor harmless from all taxes, assessments, duties, license and registration fees and other governmental charges including interest and penalties (hereinafter collectively referred to as "Impositions") imposed, levied or assessed by any federal, provincial or local government or taxing authority in Canada, or, if as a result of the operation, possession or use of any Car by or through Lessee in any foreign country, by any government or taxing authority in a foreign country, against such Car or upon or measured by any interest therein, or upon or with respect to the delivery, leasing or possession thereof by Lessor, or upon or with respect to the use, possession or operation thereof by Lessee, or on account of or measured by the rentals, earnings or gross receipts arising pursuant to this Lease Agreement (including any payment or indemnity under this Lease Agreement), provided that, notwithstanding any other provision of this Lease Agreement, Lessee shall not be required to pay the same (or any amount by way of indemnity of Lessor or otherwise pursuant to this Paragraph 9) if and so long as it shall in good faith and with due diligence and



by appropriate legal or administrative proceedings contest the validity, applicability or amount thereof (but only so long as such proceedings shall stay the collection thereof and shall not involve any risk of the sale, forfeiture or loss of any Car or any interest therein). If a claim is made against Lessor for any Impositions then Lessor shall notify Lessee promptly and, if so requested by Lessee, shall at Lessee's expense contest the validity and amount of any Impositions which it may be required to pay and in respect of which it is entitled to reimbursement by Lessee under this Paragraph 9 so long as the rights or interests of Lessor hereunder or in such Car will not be materially endangered thereby.

9.2 Notwithstanding the provisions of Paragraph 9.1 Lessee shall have no obligation thereunder as to:

9.2.1 any Impositions on, based on or measured by the net income of Lessor; and

9.2.2 any Impositions which are or may become imposed by Canada on rental or similar payments being made under this Lease Agreement to a non-resident of Canada (as defined in the Income Tax Act (Canada)).

10. MILEAGE ALLOWANCE; SUBROGATION

Provided no Event of Default has occurred hereunder, Lessee shall be entitled to (i) all mileage allowances and other similar moneys payable by reason of the use of the Cars, and any such mileage allowances or other similar moneys received by Lessor shall be forthwith remitted to Lessee, and (ii) the proceeds of any claim or right of Lessor or Lessee against third persons for injury, damage or loss with respect to any Car or the use or operation thereof, and Lessee shall be subrogated to the extent of Lessee's interest to all Lessor's rights of recovery therefor against any other person, firm or Corporation. Provided no Event of Default has occurred hereunder, Lessor hereby authorizes Lessee to make settlement of, receive payment and receipt for any such instruments and do such other acts and things as may be necessary or appropriate more fully to evidence Lessee's authority and/or to vest in Lessee such proceeds to the extent of Lessee's interest therein or to effect such subrogation; and in the event of any loss, damage or destruction in respect of which Lessee is entitled to proceeds or subrogation as aforesaid, Lessor shall refrain from doing any act or executing any instrument which would prejudice the right of Lessee to such proceeds or to such subrogation.



11. REPRESENTATIONS AND WARRANTIES

11.1 Lessor represents and warrants that:

- 11.1.1 Lessor shall at the Commencement Date be the owner of the Cars and shall have full right, title and authority to lease Cars as provided in this Lease Agreement.
- 11.1.2 So long as no Event of Default shall have occurred and be continuing under this Lease Agreement, Lessor shall not do (or suffer to be done by any person claiming through or against Lessor) any act which interferes with any and all rights of Lessee to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Lease Agreement.
- 11.1.3 The Lessor is a duly incorporated and validly existing corporation under the laws of Canada, with adequate corporate power to enter into this Lease Agreement.
- 11.1.4 This Lease Agreement has been duly authorized, executed and delivered by Lessor and constitutes a legal, valid and binding obligation of Lessor enforceable in accordance with its terms.
- 11.1.5 The entering into and performance of this Lease Agreement will not result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or instrument to which Lessor is a party or by which it may be bound or contravene any provision of law, statute, rule or regulation to which Lessor is subject or any judgement, decree, franchise, order or permit applicable to Lessor.
- 11.1.6 There are no actions, suits or proceedings pending or, to the knowledge of Lessor, threatened against Lessor affecting this Lease Agreement or the transaction contemplated hereby which could, if adversely determined, materially and adversely affect the carrying out of such transaction.
- 11.1.7 At the end of the tenth (10th) Lease Year, or any renewal period thereof as described in Paragraph 19, Lessor will have the right to convey to Lessee title to the Cars and ownership thereof, free and clear of all encumbrances which result from claims against Lessor whether or not related to the ownership of the Cars, and to permit Lessee to

exercise the purchase options described in Paragraph 20.

- 11.1.8 Lessor shall obtain any and all consents that it is required to obtain in connection with the transaction contemplated by this Lease Agreement from any of its creditors or any other party having any right or security interest in the Cars, including consent to quiet enjoyment as provided in Paragraph 11.1.2; such consent shall be evidenced in writing to the satisfaction of Lessee and shall be obtained no later than the Commencement Date failing which the sold remedies of Lessee shall be to (i) terminate this Lease Agreement without penalty or recourse by Lessor and (ii) recover from Lessor any and all cost which Lessee may have incurred with respect to Canadian domestication pursuant to Paragraph 4.

THE WARRANTIES OF LESSOR SET FORTH IN THIS PARAGRAPH 11.1 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS OR WARRANTIES OF LESSOR, WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, DURABILITY, OPERATING FITNESS, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE CARS, it being acknowledged by Lessee that the Cars were selected by Lessee and acquired by Lessor at the request of Lessee. Lessor authorizes Lessee, at Lessee's expense, to assert during the term hereof, so long as no Event of Default and no event which with notice or lapse of time or both would be an Event of Default shall have occurred and be continuing, all of Lessor's rights under any manufacturer's, vendor's or dealer's warranty with respect to the Cars, and Lessor agrees to cooperate with Lessee in asserting such rights provided, however, that Lessee shall not attempt to enforce such rights unless (i) Lessee shall first notify Lessor of Lessee's intention to enforce such rights and shall furnish to Lessor such information with respect thereto as Lessor may reasonably request and (ii) the enforcement of such rights does not, in Lessor's reasonable judgement, involve any danger of sale, forfeiture or loss of any of the Cars or create the danger of Lessor's incurring criminal liability or other liability for which indemnification by Lessee, satisfactory to Lessor and its counsel, of Lessor and its successors, assigns, representatives, directors, officers, employees, agents and servants is not provided. Lessee accepts the foregoing authorization in lieu of any and all other rights against Lessor in respect of any failure of the Cars to function or perform and in the event of a



legal action by Lessor for failure by Lessee to pay any amount alleged to be owing hereunder, Lessee waives all defences predicated on such failure of the Cars. Any amount received by Lessee as payment under any warranty pursuant to the above authorization shall be applied to restore the Cars to as good a condition as they were or should have been (but for defects giving rise to such payment under warranty) when delivered to Lessee hereunder, ordinary wear and tear excepted, with the balance of such amount, if any, to be paid over to Lessor. Except to the extent otherwise expressly provided herein, the provisions of this Paragraph 11.1 are intended to be a complete negation and exclusion of any representations or warranties by Lessor, express or implied.

11.2 Lessee represents and warrants as follows:

- 11.2.1 Lessee is a duly incorporated and validly existing corporation under the laws of Canada, with full corporate power and authority to own its properties and to carry on its business as presently conducted and to enter into and perform its obligations under this Lease Agreement;
- 11.2.2 This Lease Agreement has been duly authorized, executed and delivered by Lessee and constitutes a legal and valid agreement binding upon Lessee and enforceable in accordance with its terms;
- 11.2.3 No approval is required from any public regulatory body with respect to the entering into or performance of this Lease Agreement by Lessee, or if any such approval is required, it has been properly obtained;
- 11.2.4 There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against Lessee or its properties or affecting this Lease Agreement or the transactions contemplated hereby which could, if adversely determined, materially and adversely affect the carrying out of such transaction.

12. USE OF CARS

- 12.1 The parties agree that Lessee intends to place the Cars in international service; provided, however that Lessee may at any time and at its sole discretion withdraw the Cars from such service, and such action shall not constitute a default under this Lease Agreement.
- 12.2 Lessee agrees that while the Cars are in the physical possession or under the control of Lessee or any affiliated or subsidiary corporation the Cars shall be



used and operated in compliance with the laws of the jurisdiction in which it is located and with all lawful acts, rules, regulations and orders of any government bodies or officers having power to regulate or supervise the use thereof, except that Lessee may in good faith, at its expense and by appropriate proceeding or other reasonable manner, contest the application of such act, rule, regulation or order (but only so long as such proceedings shall stay the collection of any claim and shall not involve any risk of the sale, forfeiture or loss of any Car or any interest therein). Lessee shall operate the Cars in accordance with its management practices as to railroad cars in its ownership.

12.3 Lessee, at its own expense, will promptly cause to be duly discharged any lien, charge, security interest or other encumbrance (other than an encumbrance resulting from claims against Lessor not related to the ownership of the Cars or to the extent that the provisions of any mortgage now or hereafter created on any property of Lessee may subject Lessee's leasehold interest to the lien thereof) which may at any time be imposed on or with respect to any Car including any accession thereto or the interests of Lessor or Lessee therein; provided, however, that;

12.3.1 Lessee may in good faith and by appropriate proceeding or other reasonable manner contest such claim, lien, security interest or encumbrance (but only so long as such proceedings shall stay the collection of any claim and shall not involve any risk of the sale, forfeiture or loss of any Car or any interest therein);

12.3.2 Lessee's obligation hereunder shall not arise if any such claim, lien, security interest or encumbrance arose solely through the action or inaction of Lessor;

12.3.3 Lessor shall reimburse or compensate Lessee for expenses or losses resulting from any such claim, lien, security interest or encumbrance referred to in Paragraph 12.3.2.

13. DEFAULTS AND REMEDIES

13.1 Any of the following events shall constitute an event of default by Lessee ("Event(s) of Default"):



- 13.1.1 Non-payment of any amount required to be paid by Lessee pursuant to Paragraph 5.1 within the time frames provided in this Lease Agreement, provided that such default shall continue unremedied for five (5) business days; provided, however, that there shall be no Event of Default under this Paragraph 13.1.1 as long as Lessee is in compliance with the provisions of Paragraph 5.2;
 - 13.1.2 Subject to Paragraph 13.1.1, failure to cure a breach by Lessee of any material term, covenant or condition of this Lease Agreement within thirty (30) days following Lessor's written notice to Lessee of such default;
 - 13.1.3 The filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of debtors, or the filing of any such petition or action against Lessee not dismissed within sixty (60) days;
 - 13.1.4 Appointment of any receiver or trustee to take possession of a substantial portion of Lessee's properties not set aside within sixty (60) days;
 - 13.1.5 Any unauthorized assignment or transfer of any Car resulting from acts of Lessee not voided or otherwise cured within sixty (60) days.
- 13.2 Upon the occurrence of any Event of Default as described in Paragraph 13.1, then, in any such case, Lessor, at its option may:
- (a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease Agreement or to recover damages for the breach thereof; or
 - (b) by notice in writing to Lessee terminate this Lease Agreement, whereupon all rights of Lessee to the use of the Cars shall absolutely cease and terminate as though this Lease Agreement had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and take possession of all or any of such Cars and thenceforth hold, possess, enjoy, sell, lease or other-



wise dispose of the same in such manner as Lessor may in its sole discretion determine, with or without notice to Lessee, free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever and without any duty to account to Lessee in respect thereof, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Lease Agreement may be then due or which may have accrued to the date of such termination (computing the rental due to Lessor for any number of days less than a full month by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full month) and also to recover forthwith from Lessee (i) as liquidated damages for loss of the bargain and not as a penalty, a sum, with respect to all Cars, which equals the Casualty Value of all the Cars as of the Rental Payment Date next preceding the date of termination of this Lease Agreement, and (ii) any damages and expenses in addition thereto which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease Agreement other than for the payment of rental in the event Lessor collects liquidated damage described herein, and other than arising from the exercise by Lessor of any remedies hereunder, but including, without limitation, transportation costs, reasonable attorneys' fees and court costs. Notwithstanding anything to the contrary contained in this clause 13.2 (b), it is understood and agreed that upon and/or after payment of the amount to be paid by Lessee to Lessor under this clause 13.2 (b) Lessor shall refund to Lessee an amount equal to the net amount received by Lessor, such refunded amount not to exceed the Casualty Value, on any sale, lease or disposition of the Cars after deducting all costs and expenses incurred, including attorney's fees, and income and other taxes in connection therewith.

- 13.3 The remedies in this Lease Agreement provided in favour of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favour existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. Lessee hereby waives any and all existing or future claims to any offset against



the rental payments, settlements for Casualty Occurrences under Paragraph 8.1 and reimbursement of Impositions under Paragraph 9.1, due to Lessor, and agrees to make such rental payments, settlements and reimbursements and all other amounts payable by Lessee hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

14. INDEMNITIES

14.1 Except as otherwise herein provided, Lessee shall indemnify and save harmless Lessor from and against all loss, expense or liability (including legal or other fees) howsoever arising from the lease, use or operation of any Car or any commodity loaded or transported therein during the term hereof, whether or not such Car is within Lessee's physical possession or subject to its control; provided, however, that Lessee shall not be required to indemnify Lessor under this Paragraph for:

14.1.1 gross negligence or willful misconduct on the part of Lessor, its employees or agents;

14.1.2 any patent infringement claims or liabilities.

The indemnity under this Paragraph 14 shall survive termination of this Lease Agreement only to the extent that any such loss, expense or liability is attributable to any Car or commodity loaded or transported therein while such Car is subject to this Lease Agreement. Acceptance of a Car by Lessor, which acceptance shall be in writing, upon expiry of the term hereof will preclude any claims for loss, expense or liability on the part of Lessor occasioned to such Car by commodities transported therein after such acceptance. The provisions of this Paragraph 14 are subject to the requirements of Paragraph 6.4. Upon the payment in full by Lessee of any indemnities as contained in this Paragraph 14, Lessee shall be subrogated to any right of Lessor in respect of the matters against which indemnity has been given. Any payments received by Lessor from any person (except Lessee) as a result of any matter with respect to which Lessor has been indemnified by Lessee pursuant to this Paragraph 14, shall be paid over to Lessee to the extent necessary to reimburse Lessee for indemnification payments previously made to Lessor by Lessee in respect of such matter, after deduction by Lessor of all amounts that are due and payable by Lessee hereunder.



14.2 Lessor will defend, indemnify and hold Lessee harmless against any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee with respect to the quiet enjoyment of the Cars as provided in Paragraph 11.1.2 and with respect to the ownership thereof and title thereto.

15. RETURN OF CARS UPON TERMINATION

Subject to Paragraphs 8, 19 and 20, upon termination of this Lease Agreement as to any Car, whether under Paragraph 13.2 (b), at the end of the tenth Lease Year or otherwise, Lessee shall, within thirty (30) days of written notice from Lessor, surrender possession thereof to Lessor at an interchange point on Lessee's trackage in Canada as mutually agreed by Lessor and Lessee. Transportation costs so incurred shall be at the expense of Lessee. All cars so returned shall be in AAR interchange condition, ordinary wear and tear excepted. Lessee shall make or cause to be made all repairs necessary to restore any Car to such condition. Lessor, by its officers, employees and agents, shall have reasonable access to maintenance and repair records pertaining to the Cars upon reasonable prior written notice to the Chief Mechanical Officer of Lessee, and may, at its own expense, copy such records as it deems necessary. Upon thirty (30) days written notice by Lessor to Lessee, Lessee shall provide at its own risk storage on its trackage for any terminated Car for up to ninety (90) days at Lessee's customary rates in order to permit Lessor to arrange disposal thereof. If any Casualty Occurrence occurs while any terminated Car is being so stored, Lessee shall promptly pay to Lessor settlement for same in accordance with the Casualty Value for the last applicable month prior to termination of this Lease Agreement as specified in the Schedule of Casualty Values set forth in Exhibit C.

16. LEASE ASSIGNMENT; SUB-LEASE

16.1 This Lease Agreement shall be fully assignable by Lessor; provided, however, that Lessor shall provide prior written notice to Lessee of such assignment. Lessor covenants that any sale, assignment, transfer, mortgage or disposition which it may make of this Lease Agreement or of any Car, whether prior or subsequent to acceptance thereof by Lessee pursuant to Paragraph 3.2, shall be expressly subject to the terms and provisions of this Lease Agreement.

16.2 Lessee shall be entitled to the quiet enjoyment, possession and use of the Cars in accordance with the terms of this Lease Agreement, but, except as otherwise expressly provided herein, Lessee shall not without the prior written consent of Lessor assign or transfer all or



any portion of its leasehold interest under this Lease Agreement in the Cars or any of them (except to the extent that the provisions of any mortgage now or hereafter created on any property of Lessee may subject Lessee's leasehold interest to the lien thereof).

16.3 Lessee shall be entitled to the possession of the Cars and to the use thereof by it or any affiliated or subsidiary corporation, but only upon and subject to all the terms and conditions of this Lease Agreement and without in any way relieving Lessee from any obligation or liability hereunder.

16.4 Nothing in this Paragraph 16 shall be deemed to restrict the right of Lessee (i) to assign or transfer its leasehold interest under this Lease Agreement in the Cars or possession of the Cars to any company incorporated under the laws of Canada (which shall have duly assumed the obligations of Lessee hereunder) into or with which Lessee shall have become amalgamated, merged or consolidated and which shall have acquired the property of Lessee as an entirety or substantially as an entirety; or (ii) to sublease any Car to any party for a period (including renewals) not exceeding one year without the prior written consent of Lessor; or (iii) to sublease any Car to any party for a period (including renewals) of more than one year with the prior written consent of Lessor, such consent not to be unreasonably withheld. No such sublease shall relieve Lessee of any liability or obligation hereunder.

17. NOTICES

17.1 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when personally served upon an officer of the recipient, when sent by telex, faxmittal or other similar means, or when mailed first class, postage prepaid, addressed as follows:

If to Lessor: Midland Bank Canada Leasing Limited
Exchange Tower, 2 First Canadian Place
Toronto, Ontario M5X 1E3
Attention:
Telex:
Telecopier: 416-367-3631

If to Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec H3B 2M9
Attention: Treasurer
Telex: 055-60957
Telecopier: 514-399-5479
514-399-5586



Any party hereto may change the address to which notice is to be mailed by written notice thereof to the other.

17.2 All payments made to Lessor shall be sent to:

Midland Bank Canada Leasing Limited
Exchange Tower, 2 First Canadian Place
Toronto, Ontario M5X 1E3
Attention:
Telex:
Telecopier: 416-367-3631

18. MISCELLANEOUS

18.1 The waiver of any right accruing to any party by failure of that party to exercise that right in a given instance, or delay in exercising that right, shall not be deemed a waiver of that right in future instances of a similar nature or affect any other right, power or remedy available to that party.

18.2 Nothing contained herein shall be construed in any way whatsoever so as to constitute or establish a partnership, joint venture or contract of employment between the parties.

18.3 Subject to Paragraph 16, this Lease Agreement shall be binding upon and inure to the benefit of, the parties, their respective successors and permitted assigns.

19. RENEWAL OPTIONS

19.1 Lessee shall have the option, provided it is not in default hereunder and has paid all amounts due and payable hereunder, to extend the term of this Lease Agreement, for all but not fewer than all of the Cars, upon the terms and conditions of this Lease Agreement, modified as follows:

19.1.1 Commencing with the termination of the initial ten (10) year term of this Lease Agreement, a five year renewal period during which the monthly rental shall be [REDACTED]
U.S. ([REDACTED] U.S.) per Car per month;

19.2 The renewal option described in Paragraph 19.1 shall be exercised by Lessee giving Lessor written notice thereof not less than one hundred and eighty (180) days prior to the termination of the initial term.

20. PURCHASE OPTIONS

20.1 Lessee shall have the option, provided it is not in default hereunder and has paid all amounts due and payable



hereunder, to purchase all but not fewer than all of the Cars upon the terms and conditions indicated herein, as follows:

20.1.1 The Option A purchase shall be [REDACTED] U.S. [REDACTED] U.S.) per Car payable at the termination of the tenth (10th) Lease Year of the Lease Agreement;

20.1.2 The Option B purchase price shall be [REDACTED] U.S. ([REDACTED] U.S.) per Car payable at the termination of the fifteenth (15th) Lease Year of the Lease Agreement.

20.2 The purchase options described in Paragraph 20.1 shall be exercised by Lessee giving Lessor written notice thereof not less than one hundred and eighty (180) days prior to the termination of the particular Lease Year as applicable to each option.

20.3 Upon payment of the purchase price under any of the purchase options described in Paragraph 20.1, Lessor shall execute and deliver to Lessee a bill of sale for such Cars in the form of Exhibit D.

21. INSURANCE

Lessee will, at all times prior to the return of the Cars to Lessor in accordance with the terms of this Lease Agreement and during any storage period, at its own expense, cause to be carried and maintained public liability and property damage insurance in respect of the Cars against the risks and in the amounts, if any, customarily insured against by Lessee in respect to similar equipment owned or leased by it. Notwithstanding anything to the contrary in this Paragraph 21, Lessee shall be permitted to provide for customary deductibles and/or self insurance.

22. REPORTS

22.1 On or before April 1 in each year commencing with the year 1989, Lessee will cause to be furnished to Lessor in such number of counterparts or copies as may reasonably be requested an accurate statement signed by a responsible officer of Lessee, as of the preceding December 31,

- (a) showing the amount, description and numbers of the Cars then leased hereunder, the amount, description and number of all Cars that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease Agreement, in the case of the first such statement), and such other information regarding the condition and state of repair of the Cars as Lessor may reasonably request,

- (b) stating that, in the case of all Cars repainted or repaired during the period covered by such statement, the markings required by Paragraph 6 have been preserved or replaced,
- (c) stating whether or not, to the best knowledge of such officer, an Event of Default shall have occurred during the period covered by such statement and, if an Event of Default shall have occurred, whether or not the same is continuing and what steps Lessee has taken or is taking to cure such Event of Default, and
- (d) describing, to the best knowledge of such officer, any event or circumstance which with the passage of time or the giving of notice, or both, would constitute an Event of Default,

22.2 Lessee will furnish to Lessor, on the later of (i) 90 days after the end of Lessee's fiscal year, and (ii) within 10 days of the tabling in the House of Commons of Canada of its annual report, a statement of profit and loss and of surplus for each fiscal year, and a balance sheet as at the end of each such year, all in reasonable detail together with the report and opinion of a firm of independent chartered accountants.

23. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE AGREEMENT

23.1 Any provision of this Lease Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

23.2 This Lease Agreement exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Cars and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for Lessor and Lessee.

24. EXECUTION

This Lease Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in such case such counterparts together shall constitute but one and the same instrument.



25. GOVERNING LAW

This Lease Agreement shall be subject to and construed in accordance with the laws of the Province of Ontario.

26. EXPENSES

Lessee and Lessor shall pay and assume their respective costs and expenses (including fees and expenses of counsel) incurred in connection with the preparation of this Lease Agreement and all documents related hereto.

27. EFFECTIVE DATE

This Lease Agreement and the obligations of the parties hereto shall be effective as and from the date first above written.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed on the day and year first above written.

MIDLAND BANK CANADA LEASING LIMITED
(LESSOR)

[Signature]
.....
[Signature]
.....

Approved
as to form only

[Signature]
CANADIAN NATIONAL RAILWAY COMPANY
(LESSEE)

[Signature]
.....
VICE-PRESIDENT
.....

[Signature]
Deputy Secretary

PROVINCE OF QUEBEC)
) ss:
DISTRICT OF MONTREAL)

On this *May 11*, 1988, before me personally appeared *Paul J. Foliot*, to me personally known, who, being by me duly sworn, says that he is the Vice-President of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Company.

L. Burton

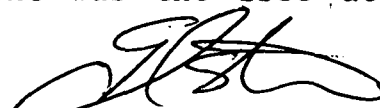
L. BURTON
Commissioner for Oaths
Commissaire à l'Assermentation
District-Montreal
Expires July 10, 1989

PROVINCE OF ONTARIO

CITY OF TORONTO

)
) ss:
)

On this 7th day of April, 1988, before me personally appeared R. Brooks and G. Tippet, to me personally known, who, being by me duly sworn, say that the ~~is~~ the Vice-Presidents of Midland Bank Canada Leasing Limited, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Company.


Notary Public in and for the
Province of Ontario

(Notarial Seal)

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

)
) ss:
)

On this March 31, 1988, before me personally appeared Paul J. Foliot, to me personally known, who, being by me duly sworn, says that he is the Vice-President of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Company.



L. BURTON
Commissioner for Oaths
Commissaire à l'Assermentation
District-Montreal
Expires July 10, 1989

DESCRIPTION OF REQUIREMENTS AND SPECIFICATIONS FOR CARS

<u>Present Car Marking</u>	<u>Number of Cars</u>	<u>CN Car Marking</u>
MEC 030000 TO MEC 030249 NON-INCLUSIVE	236	CNA 405100 TO CNA 405335 INCLUSIVE

Date Built 1973

AAR Mechanical Designation XP

Lessee has been provided with detailed specifications and drawings for the Cars.

All Cars will be in suitable mechanical condition, repaired to the specifications referred to in item 3 above and to AAR, FRA or RTC requirements prior to being tendered for final inspection and acceptance. Car components worn to AAR condemnable limit or otherwise defective will be changed out or repaired and all safety appliances will be within acceptable limited, all as prescribed by AAR, FRA or RTC. Without limiting the generality of the foregoing, under no circumstances shall there be anything less than the normal life cycle remaining on car components not so changed out or repaired.



EXHIBIT A - Page 2

Without limiting the generality of the foregoing, specific attention will be paid to the following items:

Draft and Truck Components

The draft and truck components are to be inspected and repaired if necessary, in accordance with the Field Manual of the A.A.R. Interchange Rules. Broken truck springs are to be renewed and missing coupler wear plates are to be reapplied.

Wheels

Wheels worn to A.A.R. condemnable limits or which have A.A.R. condemnable defects are to be replaced.

Brakes

Both the air brake and hand brake are to be inspected and repaired if necessary, in accordance with the Field Manual of the A.A.R. Interchange Rules.

Body Construction

A.) Sides and Ends

The sides and ends are to be free of cuts or dents that could hinder the containment of loads or cause a loss in its protection from the elements of weather. Excessive dents are to be straightened. Cuts are to be repaired by welding patch plates to the outside of the side sheet.

B.) Sills

All sills are to be inspected. If cracks are detected, they are to be repaired.

C.) Doors

Door tracks are to be straight to allow the door to open and close with moderate amount of force, i.e. as applied by an average car repairman standing on level ground without the aid of special tools.

A handwritten signature, possibly reading 'S. J.', is written in dark ink.

Doors are to be straight and free of cuts and provide good protection against the elements of the weather. Cuts are to be repaired by welding patch plates to the outside of the door sheets. Door edges and posts are to be straight and fit tight to each other to provide a good seal.

Door mechanisms are to be in good operating condition. Any missing parts must be replaced and bent or broken parts must be repaired or replaced.

Doors are to be fitted with forklift pusher pockets.

D.) Floors

Floors are to be reasonably smooth and clean.

E.) Paint

The Cars are to be repainted, restencilled inside and out.

All above work to be carried out in A.A.R. approved manner at Lessor's expense.

A handwritten signature in black ink, appearing to be 'J. R. R.', located in the lower right quadrant of the page.

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

To: Midland Bank Canada Leasing Limited (Lessor)
Exchange Tower, 2 First Canadian Place
Toronto, Ontario
M5X 1E3
Attention:

Canadian National Railway Company (Lessee)
935 de la Gauchetiere Street West
Montreal, Quebec
Canada, H3B 2M9
Attention: Chief of Motive Power & Car Equipment

The undersigned, a duly authorized inspector of Lessee, under Lease Agreement dated as of 1988, with Lessor, does hereby certify that:

Under authority of Lessee, I have inspected at , of the units of railroad equipment specified in Schedule A hereto attached and made a part hereof (Cars), as conforming in all respects to the terms and provisions of said Lease Agreement.

Under authority of Lessee, I further certify that by virtue of my said acceptance of said Cars the same have, on the dates and at the place stated, come under lease to Lessee pursuant to the terms and provisions of said Lease Agreement.

.....
Authorized Inspector



EXHIBIT B - Page 2

SCHEDULE "A"

Description of Cars referred to in the foregoing Certificate of Acceptance:

Previous
Car Number(s)

CN Car Number(s)

Date(s) of
Delivery and
Acceptance

A handwritten signature, possibly reading "S. J. 2", is located in the bottom right corner of the page.

EXHIBIT C

SCHEDULE OF CASUALTY VALUES

NOTE: The Casualty Value payable shall be the amount corresponding to the month in which notice of a Casualty Occurrence is given pursuant to Paragraph 8.1, or in which the Lease Agreement is terminated pursuant to Paragraph 13.2(b), as the case may be.

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
1		44		87	
2		45		88	
3		46		89	
4		47		90	
5		48		91	
6		49		92	
7		50		93	
8		51		94	
9		52		95	
10		53		96	
11		54		97	
12		55		98	
13		56		99	
14		57		100	
15		58		101	
16		59		102	
17		60		103	
18		61		104	
19		62		105	
20		63		106	
21		64		107	
22		65		108	
23		66		109	
24		67		110	
25		68		111	
26		69		112	
27		70		113	
28		71		114	
29		72		115	
30		73		116	
31		74		117	
32		75		118	
33		76		119	
34		77		120	
35		78		121	
36		79		122	
37		80		123	
38		81		124	
39		82		125	
40		83		126	
41		84		127	
42		85		128	
43		86		129	



EXHIBIT C - Page 2

<u>MONTH</u> <u>NUMBER</u>	<u>CASUALTY</u> <u>VALUE</u>	<u>MONTH</u> <u>NUMBER</u>	<u>CASUALTY</u> <u>VALUE</u>	<u>MONTH</u> <u>NUMBER</u>	<u>CASUALTY</u> <u>VALUE</u>
130		175			
131		176			
132		177			
133		178			
134		179			
135		180			
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EXHIBIT D

Bill of Sale

in consideration of the sum of _____ (hereinafter called the "Seller",
dollars (\$) paid by
CANADIAN NATIONAL RAILWAY COMPANY, a Canadian corporation (hereinafter
called the "BUYER"), at or before the execution and delivery of these
presents, the receipt of which is hereby acknowledged, does hereby grant,
bargain, sell, transfer and set over unto the BUYER, its successors and
assigns all of its rights, title and interest in the following property:

(insert description of Equipment)

TO HAVE AND TO HOLD the above described property unto the BUYER, its
successors and assigns, for its and their own use and behoof, forever.

The SELLER hereby warrants unto the BUYER that the Seller has legal title
to the aforesaid property free and clear of all encumbrances which result
from claims against SELLER whether or not related to the ownership of such
property.

THE AFORESAID PROPERTY IS BEING SOLD HEREUNDER ON AN "AS-IS" BASIS AND
"WITH ALL FAULTS". THE SELLER MAKES NO WARRANTY, EITHER EXPRESSED OR
IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR
A PARTICULAR PURPOSE, AND EXPRESSLY DISCLAIMS LIABILITY FOR LOST PROFIT OR
FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR COMMERCIAL LOSSES AND ALL
OTHER OBLIGATIONS OR LIABILITIES.

IN WITNESS WHEREOF, the SELLER has caused this instrument to be executed
in its name by its officers thereunto duly authorized and its corporate
seal to be hereunto affixed the _____ day
of _____

(CORPORATE SEAL)

ATTEST:



PROVINCE OF

)
) ss:
)

CITY OF

On this day of , 1988, before me personally appeared , to me personally known, who being by me duly sworn says that such person is of , that the foregoing Bill of Sale was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....

Notary Public

